

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6048

BILL NUMBER: SB 6

NOTE PREPARED: Oct 22, 2007

BILL AMENDED:

SUBJECT: Free Admission to State Fair for Military Service.

FIRST AUTHOR: Sen. Drozda

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the State Fair Commission to adopt rules providing for free admission to the State Fair for veterans and active military personnel and for their dependents.

Effective Date: Upon passage.

Explanation of State Expenditures: *Summary* - The bill could reduce revenues to the State Fair by an estimated \$395,025. Admission proceeds are deposited into a State Fair non-reverting account and are subsequently used for the following year's State Fair. The bill requires the State Fair Commission to adopt rules pertaining to free admission for veterans, active military, and their dependents.

Background Information -

Adoption of Rules: This bill would allow veterans and active-duty military personnel and their dependents admittance to the State Fair for free. The bill requires the State Fair Commission to adopt rules providing for free admission. The State Fair Commission should be able to adopt rules within its existing level of resources.

Cost Estimate for Free Admission: In assessing the number of veterans and active-duty participants along with their dependents this bill would apply to, statistics were collected for the state of Indiana as a whole from 2006 and veterans and active-duty soldiers in the state of Indiana for 2007.

For the purposes of this analysis, it was assumed that veterans over the age of 55 would no longer have dependent children, *only* spouses. For the veterans age 54 and younger, it was assumed that they would

potentially have dependent children *and* spouses. Total veterans in the state are estimated to number 524,835, with 197,575 age 54 and under and 327,260 age 55 and above. The Indiana Department of Veterans Affairs (DVA) estimates that there are approximately 20,000 active-duty soldiers in Indiana. State population statistics for Indiana for 2006 were used to calculate state marriage and child-rearing trends to estimate the number of veterans' and active-duty soldiers' spouses and dependents in the state. This population would qualify to receive free admission to the State Fair under the legislation and would determine the fiscal impact. The total estimated population that would be eligible for free fair admission is 985,539.

The State Fair Commission reports that in 2006, total attendance was 870,050 and \$2,621,054 in admission revenue was obtained at the gate.

The State Fair Commission reports that policies currently in place to show appreciation for veterans and military personnel include the provision of 4,000 complimentary tickets to the DVA. DVA is then responsible for distributing these tickets to National Guard soldiers, Guardsmen returning from active duty, and their families. The State Fair Commission also reports that anyone in uniform receives free admission on Veterans Day, and a \$2-off coupon for admission to the State Fair is also available through veterans organizations throughout the state. In 2007, 140 of these \$2 coupons were redeemed.

Attendance for the 2006 State Fair represents 14% of the total state population. Thus, 14% of the 985,539 eligible for free fair admission under the bill can be expected to attend the fair; equating to 135,815 individuals. This potential population is reduced by the number current free admission tickets provided to veterans and military personnel (4,140).

Given an estimated military and dependent attendance for the State Fair (131,675) and the average admission ticket price (\$3.00), the estimated reduction in revenue from this bill was calculated at \$395,025.

The State Fair is a self-supporting program, and \$10.2 M was taken in as total revenue in 2006 and \$9.9 M was disbursed in expenses for a net profit of \$300,000. This revenue helps to pay for the conduct of the fair, payroll, operations, and other needs of the Fair. Fair revenue over expenses is allocated to the fairgrounds' capital budget for maintaining and improving the facilities.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Fair Commission; Department of Veterans' Affairs.

Local Agencies Affected:

Information Sources: Joy Rothrock, State Fair Commission; Tom Applegate, Department of Veterans' Affairs; STATS Indiana URL: http://www.state.indiana.edu/uspr/a/usprofiles/18/us_over_sub_pr18000.html, 2006 Indiana State Fair Commission Annual Report.

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